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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 25 1977 DD/A Registry
File OTM 5

Executive Registry

DD/A Registry

77-4879/1
77-4283

Mr. John E. Blake
Acting Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Blake:

Thank you for your letter of July 14, 1977 regarding the Federal ADP Reorganization Project. Your suggested six additional issuances will be considered in the course of the study. Your offer of active participation on several of the task forces is greatly appreciated.

Sincerely,

Wayne Granquist

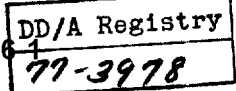
Wayne A. Granquist
Associate Director for
Administrative Management

7/27/77
15 JUL

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ODP 1363-77

11 JUL 1977

DD/A Registry

File OTM 2-2

MEMORANDUM FOR: Deputy Director for Administration

FROM : Clifford D. May, Jr.
Director of Data Processing

SUBJECT : Reply to Letter from President's Reorganization Project

REFERENCE : Letter from President's Reorganization Project, dtd 15 June 1977, Subject: Improved Management of Federal Data Processing Resources

1. Action Requested: This memorandum forwards for your signature a memorandum to the DDCI containing a proposed response to referenced letter.

2. Background: The reference was routed to ODP to prepare a response. The President's Reorganization Project has requested comments on the issues, problems, and solutions that should be addressed in a study dedicated to improving the management of Federal data processing resources. The Comptroller and Directorate ADP Control Officers were contacted by ODP for their comments and the proposed reply reflects their input.

3. Recommendation: It is recommended that the attached memorandum be signed and forwarded to the DDCI along with the letter which has been prepared for his signature.

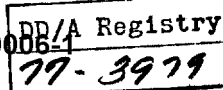
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Atts: a/s

Clifford D. May, Jr.

Distribution:

Orig & 1 - Addressee
1 - ODP Registry
2 - O/D/ODP



*not forwarded
JFB signed att
as Acting DDCI*

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Reply to Letter from President's Reorganization Project

REFERENCE : Letter from President's Reorganization Project, dtd 15 June 1977, Subject: Improved Management of Federal Data Processing Resources

1. Action Requested: This memorandum forwards a letter for your signature in reply to the reference, attached.

2. Background: The President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP Management and Policy. The Agency has been requested to submit comments on the issues, problems, and solutions that should be addressed in a study dedicated to improving the management of Federal data processing resources. In addition to the 31 issues identified in referenced letter, we have identified six new issues which are of common interest and we believe should be addressed in the study.

3. Staff Position: In the preparation of the proposed reply, the Office of Data Processing contacted each Directorate ADP Control Officer and the Comptroller to obtain their comments. The reply reflects their input and represents a coordinated response.

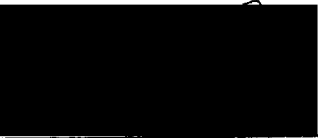
4. Recommendation: I recommend that you sign the proposed Agency response to the letter from the President's Reorganization Project.

John F. Blake

Atts: a/s

STATINTL

ORIGINATOR:


Clifford D. May Jr., D/ODP

11 July 77
Date

Distribution:

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14 July 1977

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D. C. 20503

Dear Mr. Granquist:

In response to your letter to Director Turner dated June 15, 1977, let me say first that I strongly endorse a study to improve the management of Federal data processing resources. This is a familiar subject to me since I have recently initiated several positive steps to improve ADP management in this Agency.

We currently have personnel working on many of the issues you listed but have not made any comments on the issues themselves, believing that opportunity will come as a part of our participation in the study. My staff has suggested six additional issues for consideration. They are:

1. Guidelines for sharing data bases among organizations.
2. Guidelines for joint system development between organizations.
3. Policy and guidelines concerning micro-computers (personal computers).
4. Centralized procurement of unbundled systems software.
5. Special problems concerning ADP systems processing sensitive information, particularly implementation of contracting-out guidelines.
6. Impact of the trend toward decentralization of ADP facilities on current Federal management procedures and policies.

We are interested in active participation in several of the issue oriented task forces and would be pleased if you will keep us advised on your plans.

Sincerely,

/s/John E. Blake

~~/s/John E. Blake~~
John F. Blake
Acting Deputy Director

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REORGANIZATION
PROJECT

17 3577

WASHINGTON, D.C. 20503

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JUN 15 1977

Honorable Stansfield Turner
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Turner:

In fiscal year 1978 the Federal Government will spend over \$4 billion and employ more than 150,000 people in the area of general purpose data processing. There is growing recognition that these resources are not being acquired and managed in the most economic and efficient manner. To address and begin to solve these problems, the President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP management and policy. An outline of the project is enclosed.

The President has established three basic criteria for the project: it should be based on careful and comprehensive analysis; it should be conducted in a manner which permits the largest number of people both within and outside Government to be involved; and it should be a decision forcing, action oriented process. Accordingly, one of our first objectives is to seek out and receive views from those persons and organizations with an interest in the management of Federal data processing resources.

We invite your organization to submit comments to us by July 15, 1977 on the issues, problems and solutions that you believe should be addressed in a study dedicated to improving the management of Federal data processing resources. A list of issues and problems that have previously been identified is enclosed as an initial guide to our concerns. It is by no means all inclusive, so use or ignore this list as you deem appropriate.

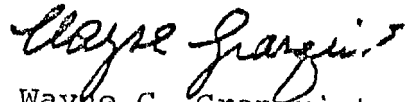
In order to assure that all those concerned participate, please provide a copy of this letter to other persons and organizations who might be interested in submitting separate responses.

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The management of Federal data processing resources is a significant factor in the delivery of governmental services and the operations of Government. The goal of this project is to assure the effective and efficient use of those resources. I hope you will help in achieving that goal.

Sincerely,



Wayne G. Granquist
Associate Director for
Administrative Management

2 Enclosures

- In FY 1978, the Federal Government plans to spend more than \$4 billion and employ more than 150,000 Federal and contractor personnel to operate over 11,000 computers.
- Over the past few years there has been rising criticism of Government computer use. Serious questions exist about the adequacy of the management of these resources. There is also concern that this technology represents a threat to individual privacy.
- The ADP Reorganization Project will focus on:
 1. Improving productivity in the delivery of governmental services through the application of computer technology;
 2. Improving the acquisition, management and use of these resources; and
 3. Eliminating duplication and overlap in agency jurisdictions dealing with computer questions.
- While the study is intended to be a comprehensive re-examination of Federal data processing, it will be structured in a fashion which will permit pieces to be spun off and acted upon throughout the period of the study.
- It is anticipated that the full study and initial implementation of recommendations will take 10-12 months.
- The study will be coordinated as a part of the President's Reorganization Project and organized into a small full-time project management staff and a series of issue oriented task forces composed of individuals from the private sector, Federal agencies and OMB.
- Because various organizations associated with Federal data processing activities hold widely divergent views on objectives and priorities, special efforts will be made to solicit their input in the early stages of the study.

Enclosure 1

- 1 Data processing planning process
- 2 Requirements definition
- 3 Economic analysis (justification for use of data processing)
- 4 Evaluation of alternative sources of computer support
(sharing, private sector, in-house, etc.)
- 5 Evaluation of alternative methods of procurement (full
competition, brand name or equal, sole make and model,
sole source, etc.)
- 6 Evaluation of alternative methods of financing procurements
(outright purchase, lease, lease with option to purchase,
lease to purchase, etc.)
- 7 Central agency (OMB, GSA, NBS) vs. user agency responsibilities
- 8 Central agency (OMB, GSA, NBS) policies and regulations
- 9 Convergence of data processing and telecommunications
- 10 Application life-cycle vs. equipment life cycle planning and
management
- 11 Data processing application program evaluation
- 12 Integration of program and data processing budgets
- 13 Management audits of data processing operations
- 14 Processing of agency procurement requests
- 15 Delegations of procurement authority to agencies
- 16 Data processing planning and budget information
- 17 Interim upgrade policy
- 18 Software conversion cost policy
- 19 Software development and acquisition
- 20 Goals and objectives of standards program
- 21 Standards enforcement authority
- 22 Computer resources management systems
- 23 Data processing work accounting systems
- 24 Data processing job classifications
- 25 Certification of data processing personnel
- 26 Career development and training
- 27 Computer security policy
- 28 Full cost recovery policy
- 29 Data processing fund policy
- 30 Functional performance specifications policy
- 31 Software Exchange Program
- Etc.

Enclosure 2

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